

AGENDA

MILWAUKIE CITY COUNCIL WORK SESSION JUNE 1, 2004

MILWAUKIE CITY HALL

Second Floor Conference Room
10722 SE Main Street

WORK SESSION – 5:30 p.m.

A light dinner will be served.

Discussion Items:

	<u>Time</u>	<u>Topic</u>	<u>Presenter</u>
1.	5:30 p.m.	Wastewater Treatment Options Study Results	Alice Rouyer, Paul Shirey, and Kent Squires
2.	6:20 p.m.	Adjourn	

Public Notice

- The Council may vote in work session on non-legislative issues.
- The time listed for each discussion item is approximate. The actual time at which each item is considered may change due to the length of time devoted to the preceding items.
- Executive Session: The Milwaukie City Council may go into Executive Session pursuant to ORS 192.660. All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.
- For assistance/service per the Americans with Disabilities Act (ADA) please dial TDD (503) 786-7555.

- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.
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To: Mayor and City Council

Through: Mike Swanson, City Manager

From: Alice Rouyer, Director of Community Development & Public Works

Subject: Wastewater Treatment Options Study Results

Date: May 28, 2004 for the June 1, 2004 work session

Action Requested

The Council will hear a presentation of the results from the Wastewater Treatment Options Study. Council is asked to provide feedback to the project staff on the City's commitment to the various options analyzed in the study.

Background

Management of wastewater within the North Clackamas region is at an important crossroads. The Clackamas County area is quickly approaching the point where it must move forward with a specific strategy to provide additional treatment capacity for both the existing service areas and the Damascus-Boring urban reserve. Currently three wastewater treatment plants operate in North Clackamas County serving customers in the Clackamas County Service District #1 (CCSD1); Oak Lodge Sanitary District, and Tri-City Service District. The Kellogg Wastewater Plant on the Willamette River in downtown Milwaukie is operated by Clackamas Service District #1 and serves Milwaukie, unincorporated Clackamas County, and Happy Valley.

For many years policymakers in Milwaukie have desired removing the sewage treatment plant in order to better utilize land on the riverfront and encourage downtown redevelopment. The existing sewage treatment plant located along Milwaukie's riverfront does not match land use goals and values outlined in the Downtown Land Use Framework Plan adopted by the Council in September 2000.

The Wastewater Treatment Options Study initiated in 2003 comes at an important time. All of the wastewater plants are nearing capacity. This requires that the service districts initiate long-term capital planning in order to accommodate future service to customers. Projected growth in the Damascus area is also putting pressure on service providers and planners. In addition, the City of Milwaukie will soon begin two important projects that were identified in the Downtown Land Use Framework Plan. These are the McLoughlin Boulevard and the North Main Redevelopment projects. Beginning in 2005, the riverfront and downtown will begin to look different, taking a shape that was anticipated in the plan. Planning for removal of the Kellogg Sewage Treatment Plant is a logical next step in the process of revitalizing the riverfront and downtown.

City staff has been involved in the Wastewater Treatment Options Study since it kicked off in 2003. Engineering Director Paul Shirey is a member of the Technical Advisory Committee offering advice to County staff and project consultants. City Manager Mike Swanson is a member of the study's Management Advisory Committee. Both have been tracking the study's progress over the past year.

Options Considered in Study

The Technical Advisory Committee developed, evaluated, and compared five wastewater management options on both their technical merits and financial impacts. These options will be detailed more in the work session discussion on June 1, 2004. Information regarding the existing service boundaries for the CCSD1, Tri-City, and Oak Lodge Sanitary District will also be available. The five options are:

Option #1: This option is referred to as the "status quo" consideration. This option assumes that the existing systems remain configured as they are today. The only modifying assumption in this case is that the existing diversion of Kellogg flows to Tri-City will be discontinued. All three treatment plants serve their existing service areas independently. Improvements to each treatment plant are based on anticipated growth in their respective service areas. The Damascus Boring urban reserve area will be served at the Kellogg Plant.

Option #2: This option presents the current adopted master plan for providing service to Tri-City and CCSD1. All three existing treatment plants will remain in service. The distinction in this option is that Kellogg is not expanded beyond its existing capacity and footprint. As development occurs in the North Clackamas and Damascus/Boring urban reserve areas, flows over and above the existing Kellogg capacity are diverted to Tri-City for treatment. Oak Lodge remains in service and is expanded to treat future flows from the Oak Lodge service area.

Option #3: This option calls for the decommissioning of the Kellogg plant. The Oak Lodge plant is expanded to accept flows from the existing Kellogg plant and future flows associated with growth from the North Clackamas and

Damascus/Boring areas. The Tri-City plant is expanded to accommodate growth within the Tri-City Service District.

Option #4: This option also calls for the decommissioning of the Kellogg plant. The Tri-City plant is expanded to accept the current flows from Kellogg in addition to flows associated with growth in the North Clackamas and Damascus/Boring areas. Oak Lodge is expanded to serve growth within its existing service area.

Option #5: This option assumes that the Kellogg and Oak Lodge plants are decommissioned and all existing and future flows are transported to and treated at the Tri-City plant.

The results of the financial and technical feasibility of the options will be reviewed with the Council at the June 1 work session. A regional approach to wastewater treatment service in North Clackamas County is the action recommended in the study. Option #5 presents the lowest long-term cost, taking advantage of economies of scale and efficiency offered by consolidating three plants into one regional plant.

Next Steps in the Project

The project staff is seeking Council feedback on the study options and results. By the end of the calendar year, staff is hoping that all participating jurisdictions will have selected a favored option or options, and will be committed to moving forward with seeking public input in 2005. The public input phase will include a rate impact plan and sketch out implementation steps needed to make each favored option a reality.

Since Milwaukie is home to the Kellogg treatment plant, the Council's early commitment to the study options will be needed in order to communicate the City's long-term growth goals to other participating jurisdictions.

CCSD1 staff has forwarded a resolution supporting a regional approach to wastewater consolidation to the Oak Lodge Sanitary District Board of Directors. This draft resolution is attached for the Council's review and consideration. After the June 1 work session, staff is requesting that the Council consider adopting a similar resolution after discussing the various options considered in the study.

Concurrence

Staffs in the City Manager's office, Community Development and Engineering have worked with the CCSD1 study coordinators and consultants since 2003.

Fiscal Impact

At this time, the study has not resulted in any fiscal impact to the City. Fiscal impacts associated with study options will be discussed at the June 1 work session.

Work Load Impacts

Staff participation on the study technical and management advisory committees was anticipated in the 2003-2004 work program.

Attachment

1. Draft Resolution before the Oak Lodge Sanitary District Board of Directors supporting a regional approach to Wastewater treatment.

ATTACHMENT 1

DRAFT

BEFORE THE BOARD OF DIRECTORS
OF
OAK LODGE SANITARY DISTRICT

In the Matter of the Regional Wastewater Resolution No. 04-01
Treatment Options Study, March 2004

THIS MATTER came before the Board of Directors of Oak Lodge Sanitary District, a sanitary district organized under Oregon Revised Statutes Chapter 450, regarding the Regional Wastewater Treatment Options Study dated March 2004.

WHEREAS, Oak Lodge Sanitary District entered into an Intergovernmental Agreement with Clackamas County, Clackamas County Service District No.1, Tri-City Service District, and the Surface Water Management Agency of Clackamas County; and

WHEREAS, said Intergovernmental Agreement required the participating jurisdictions to perform a wastewater study to determine the likely costs of consolidating and/or relocating wastewater treatment at fewer locations, the likely costs of expansion or construction of appropriate facilities to accommodate the redirected flows, and the likely cost to construct additional capacity necessary to serve future growth in the North Clackamas area; and

WHEREAS, the study included a rate and economic analysis designed to assess the probable impacts on customers served by the facilities; and

WHEREAS, the study has been performed and presented to a joint meeting of elected officials representing Oak Lodge Sanitary District, Clackamas County, Clackamas County Service District No.1, Tri-City Service District, and the cities of Gladstone, Happy Valley, Milwaukie Oregon City, and West Linn; and

WHEREAS, the study finds that the continuing to operate, maintain, and reinvest in the three existing wastewater treatment facilities in the North Clackamas County area (Oak Lodge, Kellogg Creek, and Tri-City) is the most expensive for rate payers in the long-term; and

WHEREAS, the study finds that the option to regionalize wastewater treatment at a single facility provides the greatest opportunity to reduce ratepayer costs over the long-term; and

WHEREAS, the Board of Directors has a fiduciary responsibility to act in the best interest of their ratepayers;

NOW, THEREFORE, BE IT RESOLVED, that the Board by this resolution endorses the concept of regionalization of wastewater treatment services at a single location as the apparent best long-term strategy for providing wastewater treatment services to the customers of Oak Lodge Sanitary District; and

BE IT FURTHER RESOLVED, that the Board by this resolution directs the General Manager, in partnership with Clackamas County, Clackamas County Service District No.1, Tri-City Service District, and the cities of Gladstone, Happy Valley, Milwaukie, Oregon City, and West Linn, to begin a process of public information dissemination, stakeholder involvement, and citizen involvement designed to elicit citizen interest and community values; and

BE IT FURTHER RESOLVED, that the Board by this resolution directs the General Manager, in partnership with Clackamas County, Clackamas County Service District No.1, Tri-City Service District, and the cities of Gladstone, Happy Valley, Milwaukie, Oregon City, and West Linn, to develop an implementation plan for regionalization of wastewater treatment services that further defines processes, schedules, rate projections, and related information, and incorporates consideration of the community interests and citizen values determined through the public involvement processes; and

BE IT FURTHER RESOLVED, that the Board by this resolution directs the General Manager, in partnership with Clackamas County, Clackamas County Service District No.1, Tri-City Service District, and the cities of Gladstone, Happy Valley, Milwaukie, Oregon City, and West Linn, to attempt to complete this work by December 1, 2004 and to provide a report to the Board of Directors of Oak Lodge Sanitary District.

IN WITNESS WHEREOF, the undersigned, being members of the Board of Directors and District staff of Oak Lodge Sanitary District, have executed this Resolution effective as of May 11, 2004.

ADOPTED by the affirmative vote of a majority of Board of Directors of Oak Lodge Sanitary District on this 11th day of May 2004.

OAK LODGE SANITARY DISTRICT

Vote: Ayes _____
Nays _____

By: _____
Gerald M. Foy, President

By: _____
R. Kent Squires, Secretary